

***BUILDING A CALIFORNIA  
WORKFORCE AND ECONOMIC  
INFORMATION SYSTEM  
FOR A HEALTHY  
ECONOMY AND  
WORKFORCE***

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# **Building a California Workforce and Economic Information System For a Healthy Economy and Workforce**

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## **Building a California Workforce and Economic Information System For a Healthy Economy and Workforce**

“The most significant and far reaching change brought about by the Workforce Investment Act of 1998 is the charter for a nationwide system of labor market information (LMI). Our vision for a unified and accountable LMI system is finally law . . . The labor market of the late 20<sup>th</sup> century has changed dramatically and Congress, employers, workers, educators and others must have valid and reliable national, state and local data in order to understand the new labor market developments and implement policies that reflect current trends . . . I see a great potential for LMI to be the driving force for integration among all the different agencies and programs that deliver education and training services.”

—U.S. Senator Jim Jeffords, Vermont

“We must recognize that California is an \$800 billion economy and our biennial strategic planning process must serve as a continuous economic growth and improvement mechanism to preserve and keep this economy growing for the well-being of California’s people.

In order for California to recover and sustain itself economically, it is essential that we regularly and systematically engage in a biennial economic development strategic planning process.

—California State Senator John Vasconcellos

### **The Charge**

To create a world class labor market information system that will provide Californians with timely, accurate and relevant information that supports business and job growth and improves economic self-sufficiency in an increasingly competitive global economy.

## **Labor Market Information (LMI) is a Vital Component of Economic and Workforce Development**

As society has increased its demand for timely and easily accessible information on products, services, and communities, so has the demand for fundamental information on the economy increased. The LMI – information which describes the labor force industry employment and occupational patterns of the nation, the states, and local areas – is the touchstone for understanding economic and workforce trends in an increasingly global economy.

### ***The Changing Role of LMI in a Global Economy***

Faced with the challenge of rapid technological innovation and identifying skilled workers, California's businesses require timely, reliable information on job skills, competitive wages and industry organization and trends. California's job seekers crave reliable information on emerging occupations and skill requirements to guide their career decision-making in a competitive labor market. Community leaders require a greater understanding of the economic and workforce conditions in their communities to retain and compete for leading-edge industries and quality jobs.

The LMI system, therefore, must transform industry and occupational data into usable and understandable information about regions, their workforce, and their business climate. With this knowledge, regions can focus their economic and workforce strategies more effectively.

### ***The Workforce Investment Act (WIA): New Opportunities to Effect Change***

The WIA of 1998 challenges California to build a collaborative LMI system capable of supporting the economic and workforce information needs of the State. With a strong emphasis on customer participation and satisfaction, the WIA offers significant opportunity to provide California's workforce development customers with timely, relevant and accurate information that guides business and individual career decision-making.

The WIA envisions a national workforce information system that meets customer needs for easily accessible information on current and emerging industries, occupations, and the skills necessary to meet current and future demands in these areas. Moreover, the system must continuously improve in providing information that is locally focused, responsive to area customer needs and reliable in quality.

## **Building Upon A Solid Foundation**

A new California workforce and economic information system will build upon a solid foundation of federal-state collaborative efforts and California Labor Market Information Division (LMID) efforts.

### ***Federal - State Collaborative Efforts***

The current system of LMI comprises national and state data collection and information delivery. These activities, generally conducted through a variety of national programs and cooperative state efforts, have provided information that is useful for national decision making, and assessing state and local economic conditions. The information collected under the auspices of the U.S. Bureau of Labor Statistics (BLS) is developed using research and statistical methods that are scrutinized by national experts from the BLS and university and private researchers. Moreover, the information collected under national and state cooperative programs is consistently collected and measured using standard criteria, providing comparability across states and many sub-state areas.

In addition, under the direction of the Employment and Training Administration, national consortia of states have been enhancing and developing new LMI products and services for the states. These efforts directly support the workforce information needs identified in WIA by providing occupational projections, skills, and improved access to information.

### ***LMI Progress***

The LMID has taken the lead in providing high quality, easily accessible and understandable information on California's workforce and economy. The LMID has focussed on local information needs, responsive products and services, and a local presence of information account executives. These efforts include:

- The California Cooperative Occupational Information System (CCOIS), a state/local partnership which assists communities in collecting, analyzing, and delivering local occupational information.
- A range of published and electronic products that support job seekers, economic developers, and employment and training program officials. The CALMIS, CaCTIS, and Economic Development Home Page are three Internet products. The ASK for LMI, the Enhanced State Training Inventory, and WorkSmart are three stand-alone systems that support career decision-making.
- A network of labor market consultants and managers throughout California who provide the state, regional, and local LMI needed by workforce preparation and economic development professionals in their areas, and conduct training on a variety of economic, labor market and career development topics.
- A service delivery system that provides customized and standardized information to customers through telephone and Internet support.

### ***Improving LMI To Meet Customers' Needs***

The LMID ensures that customers' needs are met by modifying, enhancing, and improving its products and services based on feedback from:

- An LMI Advisory Committee made up of representatives of key customer groups;
- Labor market consultants widely distributed throughout the state who work directly with customers in identifying and satisfying LMI needs; and
- A strong customer service orientation and an ongoing commitment to improve and enhance service based on customer satisfaction.

### **Information Gaps**

Most requirements for employment and occupational information expressed by the WIA are met by existing data collection and analytical activities in LMID (Appendix A). We provide hardcopy, Internet, and other electronic products.

There is, however, a demand for benefits and skills information, which are only partially met with existing products. Moreover, information on job vacancies, labor market dynamics, and longitudinal employment and earnings are not currently produced. We plan to improve the products that respond to the WIA specifications, enhance those products that partially meet needs, and build capacity to respond to the information demands that are not currently addressed. These specific activities will be outlined as part of an implementation planning process.

### **A Vision for California's Workforce and Economic Information System**

The key features of a new workforce and economic information system for California must include: 1) collaborative national, state, and local efforts, 2) new information analysis, 3) seamless information delivery, and 4) using LMI to respond to economic and workforce needs.

### ***Collaborative Leadership***

National Direction and Coordination of LMI. The WIA creates a unique opportunity to strengthen the existing partnership between the states and the federal government. By establishing a joint federal-state governance structure, the WIA ensures that the nationwide LMI system incorporates the critical input of states and their local and regional customers. A newly created national Workforce Information Council (WIC) is setting the direction through a five-year plan for the system. The WIC is focusing on building a national system that provides LMI that is both reliable and responsive to customer needs. California is participating on the WIC by having an elected representative of the states in the Department of Labor's Region IX.

The Role of the Labor Market Information Division (LMID). The LMID is the State's lead agency in implementing the statewide LMI system and is committed to providing quality LMI that effectively supports workforce and economic development strategies at the local, regional and state level. This requires sustained collaboration between LMID and California's customers of LMI to identify end-user needs. We envision an information system that provides a seamless means for all partners and customers to access the information they need, when they need it, to make informed business and career decisions.

### ***New Information Analysis***

The LMID's ongoing data analyses include support to state and local policymaking, the development of federal allocation formulas, as well as statewide program planning and evaluation. Both economic forces and the WIA require a greater understanding of the labor market. New information needs include:

- Local high growth industry clusters;
- Transferable skills clusters;
- LMI to businesses to facilitate plant location expansion, relocation, market research and workforce recruitment;
- Labor market dynamics across industries and occupations to assess the underlying trends; and
- Leading edge labor market research collaborations with researchers.

These efforts shift focus from routine data reporting to providing future-oriented information analysis and knowledge.

### ***Seamlessly Provide LMI***

The LMID's vision in support of workforce and economic development requires that timely information be readily accessible to customers. The California Labor Market Information System (CALMIS) is the principal Internet system for delivering employment statistics, economic information, and other LMI. Our Internet presence is being extended into targeted products such as CaCTIS and the California Economic Development Page. Moreover, stand-alone tools such as WorkSmart, CalVideos, and ASK for LMI expand the products designed for customer groups. Finally, a suite of published products and training services for one-stop centers, educators, and economic developers aim to fulfill the "high-touch" needs of California workforce and economic information customers. These efforts, while significant and responsive, are the beginning rather than the end of efforts that are associated with WIA.

While responsive to the needs expressed by the WIA, they are the seeds of a California workforce and economic information system that helps California build a vibrant economy.

### ***Using LMI to Respond to Economic and Workforce Needs***

The WIA places greater emphasis on the development and delivery of LMI that is directly responsive to the needs of local economic and workforce development strategies. Consequently, we plan to provide support to the one-stop delivery system, to economic development organizations, and for individual career decisionmaking.

The LMI will support the one-stop delivery system and its partners by providing:

- Core services to the one-stop delivery system such as information about job opportunities, skills needed, local occupations in demand, and the earnings and skill requirements of those occupations;
- Special studies, economic analyses, databases and/or relevant information necessary to promote a high-skilled workforce as the foundation of economic development;
- Comprehensive local industry and occupational analysis to support funding decisions;
- Occupational and industry trends by key industry clusters within the local Workforce Investment Board (WIB) areas to support market-based workforce skills training and development;
- Customized LMI reports and services tailored to local/regional customers;
- Consultation with State WIB and the local WIBs on developing a statewide LMI system that supports local and regional workforce investment strategies.

The LMID currently provides, on a request basis and through the CALMIS and the California Economic Development web page, information useful to economic developers. The LMID, in its national role and in California, is supporting research to address the unique data needs of economic developers, including methods for identifying and analyzing industry clusters.

The LMID provides information for career decision-making:

- Comprehensive occupational demand information to meet the planning needs of education and job training programs;
- Training for career guidance personnel on the use of information in making improved career decisions;
- Occupational and career information delivery systems; and
- New career oriented products and research on occupational issues.



## ***Expected Outcomes***

The needs of a competitive economy and the WIA will be met by pursuing a broad vision that features collaboration, new information analysis, seamless delivery, and support in integrating economic and workforce development. A new workforce and economic information system will provide more information on local areas; and richer and more complete and accessible information on industries, occupations, skills, and information which brings together the interests of economic and workforce development.

The actual outcomes of the new workforce and economic information system are best demonstrated by the effects that information can have on individual and business decision-making. For this reason, we have included several vignettes (Appendix B) that describe how LMI can affect decision-making and improve the functioning of the economy.

## ***Summary***

The transition to a rapidly changing globally competitive-economy presents both challenges and opportunities for California's businesses, workers and job seekers. The development, analysis and provision of LMI are a critical component in helping California's workforce development customers to make the right decisions for future success. To this end, California – through the LMID – is becoming a national leader in redefining state support for LMI.

Building on the federal-state collaborative efforts and LMID initiatives, the LMID will expand its partnership with other providers and customers of LMI to ensure California's LMI system is responsive to the needs of the State's diverse local and regional economies, and focused on emerging opportunities for new workforce information and analysis. With a strong commitment to customer service, the LMID is prepared to lead the development of a world class employment statistics system that provides timely and relevant LMI to advance both business and individual career development for all Californians. The collective result of these efforts will be a statewide LMI system that responds to the complementary needs for economic and workforce information in California.

## APPENDIX A

### LABOR MARKET INFORMATION REQUIREMENTS OF THE WORKFORCE INVESTMENT ACT OF 1998

<b>General Information Needs for WIA</b>	<b>Specific Data Needs Identified in the WIA</b>	<b>Availability and Format</b>
Employment and unemployment data	Employment and unemployment status of self-employed, part-time and seasonal workers	Yes – Hardcopy
Occupational data	Industrial distribution of occupations	Yes – Hardcopy & LMID Home Page
Local occupational demand	Local occupations in demand, including earnings and skill requirements	Yes – Hardcopy & LMID Home Page
Growth occupations	Occupations in sectors of the economy that have a high potential for sustained demand in growth in the local area	Yes – Hardcopy & LMID Home Page
Projections data	Current and projected employment opportunities arrayed by occupation and industry – state, regional and local	Yes – Hardcopy & LMID Home Page
Wage data	Wages arrayed by occupation and industry	Yes – Hardcopy & LMID Home Page
Benefits data	Benefits arrayed by occupation and industry	Partially – Hardcopy-CCOIS OORs, LMID Home Page – Quality Occupations
Skills data	Skill trends arrayed by occupation and industry	Partially – Available with existing data
Skills data	Skills needed to obtain vacant positions	Partially – CaCTIS Hardcopy & LMID Home Page – via O*NET, available on CD – not user friendly
Job loss data	Incidence, location and number of workers displaced through permanent layoffs and plant closings—incidence, location and number of workers displaced	Yes – Hardcopy
Job vacancy data	Job vacancy listings	No – work needed
Longitudinal employment and earnings data	Longitudinal employment and earnings data for research and program evaluation	No – A longitudinal database is in the planning stages

## APPENDIX A-CONTINUED

### LABOR MARKET INFORMATION REQUIREMENTS OF THE Workforce Investment Act of 1998

<b>General Information Needs for WIA</b>	<b>Specific Data Needs Identified in the WIA</b>	<b>Availability and Format</b>
Other statistical needs of One-Stop	Other statistics needed to improve the labor market relevance of the statewide employment statistics system	Yes – Hardcopy & LMID Home Page
Data needs of secondary schools	Other statistics that meet the needs of secondary school students (for placement and retention in employment; increase in earnings; acquisition of skills and training)	Yes – Hardcopy & LMID Home Page
Labor market dynamics	Other appropriate statistical data related to labor market dynamics	No – research needed
Economic development	State's skill and economic development needs – for Governor's plan	Partially – Hardcopy & LMID Home Page custom reports  CES—ETAT custom reports
Performance measurement	Use quarterly wage records to assist the state to measure progress on state performance measures	Partially supports – Currently assisting California Community Colleges and California Conservation Corps
Fiscal allocations	Provide information to support the development of fiscal allocations	Yes – CES—ETAT provides support in the form of custom reports

## **APPENDIX B**

### **HOW IMPROVED LMI WILL ASSIST TARGETED CUSTOMER GROUPS**

#### *Improved Wage Information*

Visionette #1: An economic developer is working with an employer that is considering moving to Sacramento County. The employer is interested in the wage costs associated with their principal type of warehouse worker—forklift operators. Ed the economic developer is able to quickly provide wage rates of forklift operators in Sacramento and is able to show that the wages in Sacramento are \$2 less than the employer's location in Santa Clara County, California. The employer now has reliable information on which to base his/her decision.

Visionette #2: Joe is a worker in the employer's Santa Clara County warehouse and has been notified that his employer may be moving to Sacramento. Joe is willing to move to a new city but wants to know if he will earn a living wage in the new community. Using the wage data along with local cost of living information, Joe is able to make an informed decision.

#### *Improving Employment Information*

Visionette #1: Edna the economic developer is analyzing the industry clusters for San Diego County for the County Board of Supervisors annual community development planning session. Edna is using the universe employment data from the ALMIS database to produce a near real-time study of the local area's job producing industries (those industries that are net exporters to areas outside of the county). The Chair of the County Board of Supervisors now understands, based on Edna's analysis, that the toy making industry is losing jobs to areas outside of the county and should not be a high priority for the County's economic development efforts. The children's garment industry, however, has a relative competitive advantage owing to the large number of affiliated and supporting industries—such as elastics, textiles, and trucking.

## *Improving Access*

Visionette #1: Art lives in a small rural community in Northern California and has always dreamed of becoming an architect. Art knows that there are few if any jobs or training for architects in his community but he is willing to move away for training and a job if necessary. Art visits the Quincy public library to use their Internet access to the national and state web databases to find out how far he would need to move to train and work as an architect.

Visionette #2: Mary is an Administrative Assistant in Long Beach who wants to improve her income and further her education. She finds she has an interest in computers using California's Career and Training Information System (CaCTIS) and finds out where to get training. Mary goes to training in the evening and eventually finds a new job in the computer industry doubling her wages. Her entry-level position is now open for a new person to enter into the labor force.

## APPENDIX C

### LIST OF SELECTED ACRONYMS AND DESCRIPTIONS

**BLS** - US Bureau of Labor Statistics  
**CaCTIS** - California Career & Training Information System (Internet:  
<http://www.cactis.ca.gov>)  
**CALMIS** - Labor Market Information Division Internet Home Page (Internet:  
<http://www.calmis.ca.gov>)  
**CCOIS** - California Cooperative Occupational Information System  
**CES** - Current Economic Statistics Group (a part of the LMID)  
**EPG** - Employment and Payroll Group (a part of the LMID)  
**ETAT** - Economic Trends Analysis Team  
**ISG** - Information Services Group (a part of the LMID)  
**LMI** - Labor Market Information  
**LMI4ED** - Labor Market Information for Economic Development (Internet:  
<http://www.lmi4ed.ca.gov>)  
**LMID** - the Labor Market Information Division of the California Employment  
Development Department  
**MLS** - Mass Layoff Statistics (a program within the LMID)  
**O\*NET** - Occupational Information Network  
**OSG** - Occupational Survey Group (a part of the LMID)  
**WIA** - Workforce Investment Act  
**WIB** - Workforce Investment Board  
**WIC** - Workforce Information Council